



National Security Personnel System – Cornerstone of Defense Transformation

July 2003



NSPS Overview

- ❖ **Provides SecDef flexibility to manage DoD civilians according to DoD mission**
- ❖ **Preserves civil service principles and veterans' preference - in law**
- ❖ **Respects bargaining - in law**
- ❖ **Implements long-tested DoD flexibilities via DoD Best Practices Initiative**



Right Time

- ❖ **Agile adversaries demand agile systems**
- ❖ **Key part of Secretary's transformation initiative**
- ❖ **Aligns civilian workforce capability with agility and flexibility of military and contractors**
- ❖ **Addresses high projected losses and keen competition**
- ❖ **Overcomes inflexible title 5 system**
- ❖ **Implements tested DoD best practices**
- ❖ **Streamlines competing pay plans, personnel systems in DoD**



Right Concept

- ❖ **Personnel innovation leaders for DoD**
 - ❖ **China Lake system**
 - ❖ **Defense laboratories and centers demos**
 - ❖ **Payment for degrees authority**
 - ❖ **Information Assurance Scholarship Program**
- ❖ **Logical venue for a mission-based personnel system**
 - ❖ **Precedents (Defense Acquisition Workforce Improvement Act, lab demos, intelligence personnel system)**
 - ❖ **"Agencies should be given the authority to develop management and personnel systems appropriate to their missions" – National Commission on the Public Service (Volcker II)**



NSPS and Best Practices Initiative

- ❖ NSPS is the broad legislative vehicle**
- ❖ Best Practices are the specific policies and procedures**
 - ❖ Chartered by USD(P&R) in 2001**
 - ❖ Includes OSD/Components, executives/staff, HR/functional in development**
 - ❖ Identifies civilian best practices from HR demos and designer systems in and out of DoD**



NSPS: Key Provisions – HR 1588

- ❖ **OPM and DoD develop system together, DoD has override in areas of national security with Presidential decision**
- ❖ **Bargaining at the National Level**
 - ❖ **30-day for unions to review**
 - ❖ **If no agreement on language, additional 30 days of discussions with potential involvement of Federal Mediation and Conciliation Service**
 - ❖ **If no agreement, Congressional 30-day implementation delay**
- ❖ **Performance Management System contains General Accounting Office recommended criteria**



NSPS: Key Provisions – HR 1588 [2]

- ❖ **Appeals procedures developed with consultation with MSPB and EEOC with independent review panel not Secretary, Deputy Secretary or subordinates**
- ❖ **VERA/VSIP including installment payments for both RIF and restructuring**
 - ❖ **\$25,000 payment**
 - ❖ **Reemployment restriction**
 - ❖ **VERA rules – 50 years old; at least 25 years service**



NSPS: Key Provisions – HR 1588 [3]

- ❖ **Dual comp waiver for reemployed annuitants**
- ❖ **Attracting highly qualified experts**
 - ❖ **Basic pay limited to Senior-level pay**
 - ❖ **Appointment for up to 5 years (1 year extension)**
 - ❖ **Bonus –up to \$50,000 or 50% of basic pay**
- ❖ **Employment of older Americans**
 - ❖ **No impact on retirement**
 - ❖ **Two-year appointment**
- ❖ **Special pay and benefits for certain employees (outside the US)**
- ❖ **Personal Services Contracts – moved to acquisition section of the transformation proposal**



NSPS: Key Provisions – HR 1588 [4]

- ❖ **Waiving Chapters: 51 Classification, 53 Pay Rates and Systems, 55 Pay Administration, Subchapter V Premium Pay, 71 Labor-Management Relations, 75 Adverse Actions, 77 Appeals**
- ❖ **Personnel Management Flexibilities found in 4703(a)(1), (3), and (8) regarding recruitment, reassignment, promotion and retention**



S 1166 Separate Senate Bill on NSPS

- ❖ **Drops National Security Waiver**
- ❖ **Makes Chapter 55 (Pay Administration) and 71 (Labor-Management Relations) non-waivable**
- ❖ **Allows national level bargaining, but FLRA may direct local level bargaining**
- ❖ **MSPB may establish separate legal standards, however, prior legal standards must apply unless inconsistent with NSPS**
- ❖ **Drops personnel flexibilities found in 4703 (a) (3) and (8)**



S 1166 Separate Senate Bill on NSPS [2]

- ❖ **Adds requirement for employee surveys**
- ❖ **Ties paybanding to the General Schedule**
- ❖ **Identifies deployment schedule by numbers of employees per year**
- ❖ **Requires veterans' preference for populations currently not covered, attorneys, ST, SL, SES**
- ❖ **Limits VSIP to 10,000 per year (BRAC uncapped)**



S 1166 Separate Senate Bill on NSPS [3]

- ❖ **Drops employment of older Americans**
- ❖ **Drops annuity protection for reemployed annuitants**
- ❖ **Limits the number of highly qualified experts to 300**



What's Happening/ Next

- ❖ **Congressional Committees considering the language**
 - ❖ **Senate –**
 - ❖ **S1050 silent on the provisions except personal services contracts**
 - ❖ **S1166 Offered by Senator Collins contains provision that limits flexibility**
 - ❖ **House – HR 1588 has language we can live with**
 - ❖ **Five Hearings have been held**
 - ❖ **Potential enactment this Fall**
 - ❖ **Implementation over two-year period**